

Department of Justice

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FORMER NEW YORK CITY EMPLOYEE INDICTED IN CONSPIRACY TO COMMIT BRIBERY

WASHINGTON —A federal grand jury returned a one-count indictment today, charging a former New York City engineer with participating in a conspiracy to commit bribery in connection with plastic marine pilings orders on a city construction project, the Department of Justice announced. Plastic marine pilings are reinforced synthetic pilings, resembling telephone poles, used as substitutes for traditional wood timber pilings in port and pier construction projects and other marine applications.

The indictment, filed today in the U.S. District Court in Islip, N.Y., charges Charles N. Kriss, a former New York City Department of Citywide Administrative Services engineer, with accepting money in return for ensuring that a co-conspirator corporation received orders for plastic marine pilings on a project overseen by New York City to reconstruct Pier 86, the principal location of the Intrepid Sea, Air and Space Museum. The indictment charges that the conspiracy to bribe Kriss began in or about 1999 and continued until in or about 2003.

"Bribery undermines the benefits afforded by competition, which lies at the heart of the Antitrust Division's mission," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "We prosecute such violations to the full extent of the law."

The former president of a Virginia-based marine products firm, Robert Taylor, pleaded guilty in May 2007 in U.S. District Court in Norfolk, Va., to multiple felonies, including a charge of conspiring to bribe Kriss to ensure that his company received orders for plastic marine pilings for use in repairs to Pier 86. In January 2008, he was sentenced to serve 24 months in prison and pay a fine of \$300,000.

Taylor's firm added 10 percent on purchase orders for work done on the reconstruction of Pier 86, and the conspirators funneled that money to Kriss to influence him to direct orders for plastic marine pilings to Taylor's company, and to reward him for doing so. This extra payment affected more than \$400,000 in purchase orders.

The charge against Kriss carries a maximum penalty of five years imprisonment and a \$250,000 fine for individuals.

Today's charge reflects the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The

National Procurement Fraud Initiative, announced in Oct. 2006, is designed to promote the early detection, prosecution, and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

The ongoing investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section and the Department of Defense's Defense Criminal Investigative Service, with the assistance of the Office of the Inspector General of the New York City Department of Citywide Administrative Services.

Anyone with information concerning bid rigging or other anticompetitive conduct in the marine products industry is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694, or the Long Island Office of the Defense Criminal Investigative Service at 631-420-4302.

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